UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency Washington, DC 20250

Direct and Counter-Cyclical Program	
1-DCP	Amendment 38

Approved by: Deputy Administrator, Farm Programs

Amendment Transmittal

A Reasons for Amendment

Multiple paragraphs have been amended to remove the paragraph references for 3-CM. 3-CM (Rev. 4) was recently published.

The provisions of the 2002 Farm Bill expire on September 30, 2007. Therefore, paragraph 67 has been amended to clarify that:

- until additional legislation is passed, there are no provisions for the use of DCP base acreage after September 30, 2007
- CRP-1's expiring on September 30, 2007, are not eligible for enrollment in DCP for FY 2007.

Paragraphs 150 through 158 have been withdrawn because all production reviews were required to be completed by October 31, 2003.

Subparagraphs 356 F and 356 G have been amended to clarify the signature requirements and the process for handling payments for cases involving disputed shares.

Subparagraph 426 F has been amended to add WRP statutory base reduction requirements and:

- expand on the requirements for reducing DCP base acres because of enrollment in WRP
- include procedure for handling CCC-505's for farms enrolling in WRP.

Note: NRCS requires producers offering land for a WRP easement to provide CCC-505 to the local NRCS office when the WRP offer is submitted. However, FSA County Offices are not responsible for, **and shall not assist producers in**, completing CCC-505 except to provide information.

8-4-06 Page 1

Amendment Transmittal (Continued)

A Reasons for Amendment (Continued)

Paragraph 426.5 has been amended to include procedure for determining whether DCP base acres are required to be reduced because of enrollment in WRP.

Subparagraph 470 E has been added to assist with determining the number of acres available for FAV planting.

Note: This procedure is also in 4-CP for determining whether FAV's are planted on base acres.

Subparagraph 472 J has been added to provide an example for determining the number of DCP base acres that must be reduced to avoid an FAV violation if none of the FAV exceptions are applicable.

Subparagraph 477 B has been amended to clarify that the FAV producer history exception is based on specific crop and amount of FAV or wild rice that was planted for harvest on a farm for applicable years. The history is not crop type specific.

B Clarification to WRP Procedure Included in Amendment 36

Amendment 36 was issued to remove the exception which provided that cropland enrolled in WRP may be eligible for DCP in FY the WRP easement is closed or WRP cost-share restoration agreement is approved. The transmittal specified that State and County Offices shall follow the provisions of 7-CP for handling any overpayments that may result based on the revised policy. Several questions have been raised regarding this instruction.

For 2005 and prior years, State and County Offices shall follow the provisions of 7-CP for handling any overpayments that may result based on the revised policy and the reduced DCP base acreage.

For 2006, the contract period has not ended and final DCP payments have not been issued. As a result, the DCP base acreage shall immediately be reduced as specified in subparagraph 426 F to ensure that final DCP payments are not issued in error.

Amendment Transmittal (Continued)

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	7-6.17, 7-6.18 (add)				
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5 DD Responsibilities

A Responsibility

DD's shall ensure that COC's and CED's follow provisions in this handbook.

B Reviewing County Office Procedures

DD's shall:

- review County Office procedures to ensure that County Offices comply with requirements established by the State Office
- review all CCC-509's and CCC-490's disapproved by COC
- provide SED with a written report of all reviews.

C Preparing DD Base and Yield Adjustment Report

DD's shall prepare a current DD Base Acreage and Yield Adjustment Report by running query "FARMXXXX" according to 3-CM * * *.

Note: The "XXXX" in the query name shall be replaced by FY for which the report is being run. For example, to run a 2002 DD Base Acreage and Yield Adjustment Report, the County Office will run query "FARM2002".

The report must be printed in landscape format for all farm data to print on a page. To print in landscape format, ENTER "PRINT P1,68,8,15,90" on a command line before printing.

Notes: Replace "P1" with the printer number to be used to print the report.

Printer will continue to print landscape until changed or system is logged off.

The DD Base Acreage and Yield Adjustment Report lists base acreage and payment yield adjustments made on active farms in FY for which the report was printed. Each adjustment on the report includes the following:

- status code
- year
- farm number
- tract number
- crop code
- base acreage adjustment code
- base acreage adjustment date
- direct payment yield adjustment code
- direct payment yield adjustment date
- counter-cyclical payment yield adjustment code
- counter-cyclical payment yield adjustment date.

Note: Each time the report is processed all adjustments for FY are listed.

5 DD Responsibilities (Continued)

*--D How to Review Adjustments

After preparing the DD Base Acreage and Yield Adjustment Report, review base acreage and yield adjustments according to this table.

Step	Action
1	Review all adjustments not included in the previous review.
2	Verify the following:
	adjustments were authorized and approved according to procedure
	amount of adjustment is correct
	base acreage and/or yield is correct.
3	Verify that the frequency of each type of adjustment is reasonable considering:
	• type of adjustment
	• number of the same type of adjustments approved in other County Offices in the
	district.
4	Verify that the total number of adjustments is reasonable.
5	If an excessive number of adjustments for corrections were made, ensure that the
	cause of the error is:
	• recognized
	• alleviated.
6	Considering the type of adjustment, verify that adjustments were made in a timely
	manner.
7	Ensure that:
	all errors are corrected
	procedure is uniformly interpreted.

E When to Review Adjustments

DD's shall review current year base acreage and yield adjustments as often as possible but no less than twice each FY for each County Office.

- The first review shall be completed at least 2 weeks before November 30 of each FY.
- The second review shall be completed at least 2 weeks before August 1 of each FY.
- Additional reviews may be made as determined necessary by DD or STC.--*

66 Completing CCC-505 (Continued)

C Example of CCC-505

The following is an example of CCC-505.

*__

CCC-505 U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation				1. STATE AND COU	NTY CODE 2. FARM		
06-30-04)	Commodity Credit	t Corporation		21	61 302	1 YEAR 2006	
VOLUNTARY PERMANENT DIRECT AND COUNTER-CYCLICAL PROGRAM (DCP) BASE ACRES REDUCTION				CRP Enrollm	EDUCTION OF DCP BA		
	40 60 N2 5 00 5 0			Other	5 77 37	1970 CT	
	ority for collecting the follo rior OMB approval manda				s for the collection	of information	
ivestment Act of 2002 ne requested informat inforcement agencies,	nt is made in accordance with the 2, (Pub. L. 107-171). The informat ion will result in denial of program and in response to a court magis and 31 USC 3729, may be applicated.	tion will be used to determ benefits. This information trate or administrative trii	mine eligibility fo on may be provi bunal. The prov	or program benefits. Furnishing to ded to other agencies, IRS, Depa visions of criminal and civil fraud	ne requested information rtment of Justice, or off statutes, including 18 US	n is voluntary: Failure to furnis ner State and Federal law SC 286, 287, 371, 641, 651,	
rop(s) for the far Reserve Program o the farm, We understand R Base Acres <u>may</u> b	request a permanent reduction number entered in Item (CRP), this reduction is a that when the reason for the returned to the farm if the	2. I/We understant permanent reducti he reduction entere	nd that, exception of DCP I	pt for reductions because Base Acres, and the DCP s because of enrollment o	of enrollment into Base Acres reduct foropland into CF	the Conservation ed shall not be returned RP, the reduced DCP	
ther eligibility ro 5. TRACT NO.	equirements are met. 6. COMMODITY	DIRECT YIELD	S. COUNTE CYCLICAL Y		COMMODITY BAS ACRES ON TRACT BE REDUCED		
1	Corn	100	101	100	25	≅ 75	
1	Wheat	50	55	50	10	40	
2	Wheat	60	55	20	20	= 0	
						=	
	e Acres to be Reduced (Total e Acres on Farm Before Redu		ĺ	14. Total DCP Base Acres o	55	ion (Itam 13 minus Itam 12	
5. Total DCF bas	e Acres on Failin before Redu	500		4.45	Patin Alter Reducti	on (item 15 minus item 12	
5A. REQUESTOR		DATE (MM-DD-	,	B. OWNER'S SIGNATURE		DATE (MM-DD-YYYY)	
5C. OWNER'S SI		DATE (MM-DD-	YYYY) 15	15D. OWNER'S SIGNATURE DATE (MM		DATE (MM-DD-YYYY)	
Bases re	e DCP base acres are being reduced because of the country of the c	of cropland	enroll	ment into CRP	on CRP-1 #2	221	
	X DISAPPRO			Blake County F 213 Pike Avenu	е		
APPROVED	18. COC'S SIGNATURE DATE (MM-DD-YYYY)			Anyplace, MD 20000			
		07-24-	2007	Anypiace, MD			

--*

67 Adjusting Base Acres for CRP-1 Expiration or Voluntary Termination

A Policy

The same land cannot be enrolled in both DCP and CRP at the same time. However, when CRP-1 expires or is voluntarily terminated on or after May 13, 2002, and before October 1, 2007, producers may enroll the following acreage and applicable yields, previously enrolled under CRP-1 in DCP:

- CAB's reduced from applicable CRP-15
- PFC acreage that was reduced on CCC-505 to be enrolled in CRP under the expired or voluntarily terminated CRP-1
- DCP base acreage that was reduced on CCC-505 to be enrolled in CRP under the voluntarily terminated CRP-1.

Important: Only applicable acreage from CRP-1's that expire or are voluntarily terminated between May 13, 2002, and September 30, 2007, is eligible to be enrolled in DCP.

The applicable acreage:

- must be distributed to the tract from which it was removed
- shall receive a payment yield equal to the tract level yield for this crop at the time the applicable acreage was removed.

--See 3-CM for updating the farm maintenance system.--

Notes: When CAB's or previously reduced PFC acreage is enrolled in DCP, the CAB's and PFC acreage become DCP base acreage.

See Exhibit 2 for the definition of "voluntarily terminated."

--The provisions of the 2002 Farm Bill extend through September 30, 2007. Pending additional legislation, there is no authority for using DCP base acres after September 30, 2007.--

B DCP Base Limitation

The total base acreage on a farm shall not exceed the DCP base limitation according to paragraph 53.

Applicable acreage previously under CRP-1 shall not be enrolled in DCP unless the total DCP cropland for the farm is sufficient to support the additional base acreage. Therefore, County Offices must determine the amount of CAB acreage, previously reduced PFC acreage, or previously reduced DCP base acreage that may be enrolled in DCP.

*--67 Adjusting Base Acres for CRP-1 Expiration or Voluntary Termination (Continued)

B DCP Base Limitation (Continued)

Before enrolling acreage previously under CRP-1, a farm may be combined with another farm to increase the amount of DCP cropland to support the additional acreage, if both of the following are met:

- all provisions of 2-CM for farm combinations are met
- the combination is completed before the final date to enroll the applicable acreage previously under CRP-1.

C Timing of DCP Adjustment and Payments

Producers who elect to voluntarily terminate CRP-1 before the CRP-1 expiration date:

- cannot receive both a CRP payment and DCP payment on the same land for the same FY
- must elect to receive **either** of the following for the FY in which CRP-1 was voluntarily terminated:
 - direct and counter-cyclical payments
 - prorated CRP payment, if applicable.--*

67 Adjusting Base Acres for CRP-1 Expiration or Voluntary Termination (Continued)

C Timing of DCP Adjustment and Payments (Continued)

Adjustments to DCP base acres on a farm because of CRP-1 that expires or is voluntarily terminated on or after May 13, 2002, and before October 1, 2007, may be made according to the following table, if all other eligibility requirements are met.

IF CRP-1	THEN	AND
*expires before FY 2007	eligible producers may adjust DCP base acreage on the farm by enrolling eligible acreage: • after CRP-1 expires • no later than June 1 of FY after FY in which CRP-1 expired	 a full CRP payment for FY in which acreage was enrolled in CRP full DCP payments for FY in which acreage is enrolled in DCP. Note: All program eligibility requirements must be met before payments can be issued.
expires on September 30, 2007 is voluntarily terminated before CRP-1 expiration date	producers are not eligible for enrollment in DCP for FY 2007 eligible producers may adjust DCP base acreage on the farm by enrolling eligible acreage no later than June 1 of FY in which CRP-1 is voluntarily terminated	 be paid either of the following but not both: full DCP payments for FY in which acreage is enrolled in DCP a prorated CRP payment for FY in which acreage was enrolled in CRP. Note: All program eligibility requirements must be met before payments can be
	eligible producers may adjust DCP base acreage on the farm by enrolling eligible acreage after September 30 of FY in which CRP-1 is voluntarily terminated, but no later than June 1 of the following FY	 issued. be paid both of the following: a prorated CRP payment for FY in which acreage was enrolled in CRP full DCP payments for FY in which acreage is enrolled in DCP. Note: All program eligibility requirements must be met before payments can be issued.

Note: Eligible acreage not enrolled by June 1 of FY may be enrolled after June 1 with the assessment of a \$100 late-filed fee, but not later than:

- September 29 for FY 2006
- September 28 for FY 2007.--*

141 Conversion Factors for Silage

A Silage Production

Acceptable records of silage production shall be converted from tons to bushels by multiplying the tonnage times the following factors:

- 6.47 for barley
- 7.94 for corn
- 5.56 for grain sorghum
- 4.08 for oats
- 5.00 for soybeans
- 6.99 for wheat.

Example: Producer A sells his or her corn crop to XYZ Dairy. All production is weighed. XYZ Dairy purchased 739.5 tons of corn silage from Producer A. The actual corn production for that year would be 5,872 bushels (739.5 tons x 7.94 = 5,872).

142 Multiple Producers on a Farm

A Production Using Crop Shares

If a producer's share of the total production and the producer's production are known, this data may be used to compute the farm's total production as follows:

- the producer's share of the total production is .3333 and the producer's production records show he or she received 1,000 bushels
- COC may establish the farm's production at 3,000 bushels if the producer's share is a matter of record and the production evidence is acceptable.

143-149 (Reserved)

Section 3 (Withdrawn -- Amend. 38)

150-158 (Withdrawn -- Amend. 38)

159-199 (Reserved)

Part 6 Signup

Section 1 General Information

331 Signup Period

A Signup Dates

The signup period for DCP for FY 2002 begins October 1, 2002, and ends June 2, 2003. The DCP signup period for FY 2003 and subsequent years begins October 1 of the applicable FY and ends June 1 of the FY.

B Farms With CRP-1

Farms with CRP-1's that expire or are voluntarily terminated on or after May 13, 2002, and before October 1, 2007, may enter into or expand a DCP contract to the extent:

- CAB's reduced under CRP-15 were released
- PFC acreage was reduced on CCC-505
- DCP base acreage reduced on CCC-505.

Note: See subparagraph 67 C for adjustments to DCP base acres and yields because of CRP-1 that expires or is voluntarily terminated on or after May 13, 2002, and before *--October 1, 2007. See 3-CM for updating the farm maintenance system.

C Late-Filed Provisions

CCC-509's for which missing signatures are obtained after June 1, but not later than September 30 of the FY, will be considered late-filed, and shall be assessed a late-filed--* signup fee of \$100.

Note: Deposit collections according to 3-FI, using program code "XXDCPLATEFEE", where XX is equal to the crop year.

D Reconstitution of Enrolled Farms

Farms enrolled during the prescribed annual signup period are no longer considered to be enrolled following a farm reconstitution. Farms resulting from a reconstitution are not deemed to have a DCP contract and, therefore, may not earn benefits associated with DCP.

Resulting farms may be enrolled into DCP by the later of June 1 or 30 calendar days following producer notification of the reconstitution. If a resulting farm is not enrolled during this period, DCP benefits are not available for that FY, except according to subparagraph C.

Note: See subparagraph E for reconstitution of nonenrolled farms with DCP base acres.

*--E Reconstitutions of Other Farms With DCP Base Acres

Farms not enrolled during the prescribed annual signup period are subject to late-filed fees according to subparagraph C, including farms for which a reconstitution is requested.

Exception: A late-filed fee shall not be applied, if **both** of the following apply:

- FSA-155 is signed by all applicable parties to request reconstitution of the farm, on or before June 1 of the applicable FY
- all required signatures are obtained on CCC-509 within 30 calendar days following producer notification of the reconstitution.

Note: For COC-initiated reconstitutions not completed by June 1, and parent farm was not previously enrolled, allow producer 30 calendar days after notification to enroll without late-filed fee.

Late-filed fees shall be charged for each FSN that was not enrolled timely, based on the constitution of FSN's as of June 1 of the applicable FY.

- **Example 1:** Parent FSN 50 was not enrolled into DCP, and FSA-155 was not signed, by June 1. Owner requests farm division, resulting in FSN's 2250, 2251, and 2252. One fee of \$100 applies on parent FSN 50.
- **Example 2:** FSN's 500, 1050, and 1200 were not enrolled into DCP by June 1. FSN's 200 and 1300 were timely enrolled. Producer and owners sign FSA-155 on June 15, requesting a combination of all 5 FSN's. Three fees of \$100 will apply (FSN's 500, 1050, and 1200).--*

334 Effect of CLU Certification on Active CCC-509's (Continued)

D Farm Combinations (Continued)

- adjust the DCP cropland in farm maintenance on the affected farm(s) according to 3-CM
- after all DCP payments have been refunded, process the farm combination according to 2-CM
- •*--have the owners complete CCC-505 to permanently reduce base acres and/or CCC-517 to redistribute base acres, if applicable--*
- process CCC-509 on the resulting farm according to Part 14.

* * *

E Producer Request

The owner(s) on the farm may request that the reduction of DCP cropland and base acreage be immediately completed. In this situation, the following actions shall be taken:

- adjust the DCP cropland in farm maintenance according to 3-CM
- •*--owner(s) shall complete CCC-505 to permanently reduce base acres and/or CCC-517 to redistribute base acres--*
- adjust the base acres in farm maintenance according to 3-CM
- revise CCC-509 according to paragraph 802
- request a refund of any DCP overpayments.

All signatures must be obtained on the new CCC-509 by the later of June 1 or 30 calendar days following the acreage change to be enrolled in DCP.

334 Effect of CLU Certification on Active CCC-509's (Continued)

F Example 1

Farm number 153 is located in County A and consists of:

- 55 DCP cropland acres
- 55 effective DCP cropland plus double-cropped acres
- 40 base acres.

CCC-509 has been approved on farm number 153. After the CLU certification, farm number 153 consists of:

- 65 DCP cropland acres
- 65 effective DCP cropland plus double-cropped acres
- 40 base acres.

The DCP cropland shall be increased in farm maintenance according to 3-CM * * *. Because the effective DCP cropland increased after CLU was certified, the base acres will not be affected. CCC-505 is not required and CCC-509 does not require an adjustment.

G Example 2

Farm number 10 is located in County A and consists of:

- 60 DCP cropland acres
- 60 effective DCP cropland plus double-cropped acres
- 45 base acres.

CCC-509 has been approved on farm number 10. After the CLU certification, farm number 10 consists of:

- 55 DCP cropland acres
- 55 effective DCP cropland plus double-cropped acres
- 45 base acres.

Even though there was a decrease in the effective DCP cropland, the base acres are not affected; therefore, CCC-509 does not require an adjustment.

F DCP Payment When Disputes Are Settled

*--Approval of CCC-509 and DCP payments should be handled in the normal manner for disputes resolved before September 30 of the applicable FY.

If the dispute is settled after September 30 of the applicable FY, CCC-509 may be approved and DCP payments issued accordingly only if CCC-509 was filed before September 30 of the applicable FY with the correct payment shares for all producers sharing in the base acreage.

G Signature Requirements for Disputed Shares

CCC-509 shall not be approved unless all producers sharing in the base acreage have signed to the correct DCP payment shares for the farm. CCC-509 must be signed by June 1 of the FY for which shares are disputed or late-filed signature provisions in paragraph 390 apply.

Reminder: CCC-509 shall not be approved until the dispute is settled.--*

H COC Suggested DCP Payment Shares Not Appeasable

Because the suggested DCP payment shares that COC's provide to landowners, tenants, and sharecroppers who cannot agree are only suggestions, not COC determinations, the suggestions are not appealable.

*--357 Division of Payment Dispute Examples

A Basic Farm Data

Unless otherwise annotated, assume the following is applicable for each of the examples in this paragraph.

Farm Data

200.0 acres of cropland 100.0 acres of base acreage enrolled in DCP Participated in the prior FY

B Example 1

For FY 2002, a landowner cash leases the entire farm to Producer A. Producer A enrolls the farm in DCP claiming 100 percent of the 2002 FY DCP payment. The landowner disputes Producer A's share and enters into DCP for FY 2002 claiming 100 percent of the DCP payment. The County Office generates CCC-509's for 2002 FY, one with 100 percent shares to the landowner and another with 100 percent shares to Producer A.

Under DCP, the landowner who cash leases an entire farm cannot receive a share of the DCP payment for any contract crop. The landowner's dispute of payment shares is not valid and COC shall approve the 2002, CCC-509 for Producer A, and issue payments accordingly. he landowner's CCC-509 will be disapproved, and they shall be notified of their appeal rights.--*

F Land Enrolled in WRP

- *--There are 2 separate statutory provisions affecting producers enrolling land in WRP.
 - The DCP statutory provisions of the Farm Security and Rural Investment Act of 2002 (Pub. L. 107-171) Section 1101(g) (2002 Farm Bill) requires a reduction of base acres if the sum of the base acres for a farm, together with the following acreage, exceeds the actual cropland for the farm:
 - any base acres for peanuts for the farm
 - any acreage on the farm enrolled in CRP or WRP
 - any other acreage on the farm enrolled in a conservation program for which payments are made in exchange for not producing an agricultural commodity on the acreage.
 - Statutory WRP provisions require that, in some situations, owners and operators of land subject to WRP conservation easements agree to the permanent retirement of any existing cropland bases for this land under any USDA program.

In reply to an OIG audit, NRCS recently instituted a policy requiring producers to complete CCC-505 when offering land for enrollment in WRP. NRCS will provide FSA offices with a copy of CCC-505 when the WRP easement is recorded. However, the DCP base reduction is not effective until NRCS notifies FSA that the WRP easement has been recorded.

FSA County Offices shall ensure that the provisions of **both of the statutory provisions** specified above are met for producers enrolling land in WRP to ensure that USDA is not compensating producers for the value of the base acres retired under WRP and issuing farm program payments on the same acreage under DCP. However, a coordinated effort is required with NRCS with certain responsibilities applying to each Agency.

NRCS requires producers to complete CCC-505 when the producer offers land for enrollment in WRP. FSA County Offices are not responsible for, **and shall not assist** producers in, completing CCC-505 for land being offered in WRP. However when requested, FSA County Offices shall provide producers with:

- a copy of FSA-156EZ with information about the number of DCP base acres applicable to a farm
- procedure for calculating reductions to base acres provided in subparagraph 426.5 D.

Note: A worksheet is being developed to assist producers with completing CCC-505. Additional procedure will be issued in the near future.--*

426 Eligible and Ineligible Land Uses for Base Acreage (Continued)

F Land Enrolled in WRP (Continued)

*--Once the WRP easement is **closed**, NRCS will provide documentation about the WRP agreement including CCC-505 to the applicable FSA County Office. FSA County Offices shall follow the provisions of this table.

Note: If adequate documentation is not provided by NRCS to determine DCP base acreage reductions, acres on cropland, and acres on non-cropland, FSA County Offices shall immediately contact the applicable NRCS Office to obtain the documentation necessary to update FSA records.

Step	Action
1	Immediately update the farm records management system according to 3-CM to record the number of acres enrolled in WRP that are on DCP cropland. See 3-CM for additional information.
	Note: Acres enrolled in WRP that are on non-DCP cropland shall not be included in the WRP field in the farm records management system.
2	• Immediately update the farm records management system according to 3-CM to reduce the DCP base acreage as specified on CCC-505 received from NRCS for FY in which the WRP easement was recorded or WRP cost-share restoration agreement is approved. CCC-505 includes the number of DCP base acres that shall be retired, even if the number of base acres being retired is zero.
	Note: Producers may have elected to reduce DCP base acres to increase the value of the WRP appraisal for a WRP easement. FSA County Offices shall reduce the DCP base acres as specified on CCC-505. In some cases, there may be excess acreage on the farm that may not require the base reduction under the provisions of the 2002 Farm Bill, but the acreage shall be reduced as specified on CCC-505 because those acres were designated for retirement through the WRP easement.
	• Notify all producers on the farm that a revised DCP contract must be filed by June 1 of the applicable FY that reflects the reduced DCP base acreage.
	Note: This step is required, however an additional reduction may be required as determined in steps 3 through 5. County Offices shall ensure that all steps in this table are followed.
3	After steps 1 and 2 have been completed, County Offices shall determine if the number of DCP base acres exceeds the effective DCP cropland plus double-cropped acreage according to subparagraph 426.5 D. If the DCP base acres still exceed the effective DCP cropland plus double-cropped acreage, then:
	• an additional reduction to DCP base acres is required to satisfy the statutory requirements of the 2002 Farm Bill
	• the DCP contract for the applicable FY cannot be enrolled until the reduction of the base acres is completed
	• County Offices shall follow the provisions of step 4.

Eligible and Ineligible Land Uses for Base Acreage (Continued) 426

F Land Enrolled in WRP (Continued)

*--

Step	Action		
4	If an additional base reduction is required according to step 3, County Offices shall:		
	• notify the owners of the farm that an additional reduction of base acres is required within 30 calendar days		
	notify all producers on the farm that a revised DCP contract must be filed by June 1 of the applicable FY that reflects the reduced DCP base acreage		
	• ensure that all provisions of 3-CM are met for updating the farm records management system and notifying applicable producers of the revision to the farm records.		
	Note: Signatures obtained after June 1 must be received no later than September 30 of the applicable FY. The late-filed fee shall not be assessed if the original DCP contract was enrolled before June 1.		
5	If CCC-505 is not filed by the owners of the farm within 30 calendar days according to step 4:		
	COC shall initiate CCC-505 reducing the base acreage according to 3-CM		
	 COC shall not approve a revised CCC-509 unless all signature requirements are met by June 1 of the applicable FY 		
	Note: Signatures obtained after June 1 must be received no later than September 30 of the applicable FY. The late-filed fee shall not be assessed if the original DCP contract was enrolled before June 1.		
	County Office shall notify the producers associated with the farm of the COC determination of the reduction of base acres		
	• County Office shall ensure that all provisions of 3-CM are met for updating the farm records management system and notifying applicable producers of the revision to the farm records.		

426 Eligible and Ineligible Land Uses for Base Acreage (Continued)

*--J Land Enrolled in CRP or GRP

Land enrolled in CRP or GRP is **not** eligible to be enrolled in DCP.

Enrollment of land into CRP or GRP may require:

reduction of DCP base acres

Note: See paragraph 426.5.

refund of DCP payments.

Note: Subparagraph I does not apply to land under CRP or GRP.

K Land Under CRP Easement or Practice Lifespan Requirement

Land under CRP easement or practice lifespan requirement:

- is **not** eligible to be enrolled in DCP
- shall be maintained in the automated system according to 3-CM.

For CRP signups 10, 11, and 12, participants that enrolled land in CRP to be devoted to certain CRP practices agreed to place the land under 1 of the following:

- 15- or 30-year easement
- 15- or 30-year practice lifespan requirement.

The terms and conditions of the CRP easement and practice lifespan requirements continue:

- after the CRP-1 expires, for the life of the easement or practice lifespan
- the prohibition of cropping, haying, and grazing the acreage.

Note: Subparagraph I does not apply to land under CRP easement or practice lifespan requirement.--*

A General Rule

* * *

The sum of the following shall not exceed DCP cropland on the farm, except to the extent there is an established double-cropped history on the farm:

- all DCP base acres, including peanut base acres
- cropland enrolled in:
 - CRP
 - EWP
 - WBP
 - WRP
- cropland or DCP cropland enrolled in GRP
- cropland enrolled in any conservation program for which payments are made in exchange for not producing an agricultural commodity.

--B When to Determine Reduction Acres for CRP and GRP--

County Offices shall calculate the number of acres on a farm that may be enrolled in CRP or GRP without requiring a reduction to DCP base acres at the time the producer submits CRP-2, CRP-2C, or AD-1153.

When the producer determines to reduce DCP base acres on a farm because of enrollment into CRP or GRP, the producer must complete CCC-505 at the time the acres are being offered for CRP or GRP.

Note: Some producers may elect to modify the number of acres to be offered for CRP or GRP instead of reducing DCP base acres on the farm.

C When to Determine Reduction Acres for WRP

County Offices shall follow the provisions of subparagraph 426 F immediately upon notification from NRCS that the WRP easement is closed or cost-share restoration agreement is approved.

Reminder: There are 2 separate statutory provisions affecting producers enrolling land in

WRP and County Offices shall ensure that DCP base acres are reduced, if

necessary, to satisfy both provisions.

D Determining Reduction Acres

County Offices shall use the following table to determine whether enrolling land into:

- CRP or GRP will require a reduction in any of the following:
 - DCP base acres
 - number of acres offered for CRP
 - number of acres offered for GRP
- WRP will require a reduction in base acres according to the 2002 Farm Bill statutory provisions.

Step	Action		
1	Print FSA-156EZ for farm on which the acres are being offered for enrollment into CRP, GRP, or WRP. See 3-		
	CM to print FSA-156EZ.		
2	From FSA-156EZ, sum the farm's effective DCP cropland acres and double-cropped acres.		
3	From FSA-156EZ, determine the total DCP base acres for the farm.		
4	Subtract the r	esult of step 3	3 from the result of step 2.
5	IF the	AND the	
	result of	program	
	step 4 is	is	THEN
	negative		1 or more tracts on the farm are out of balance
			• correct the out-of-balance tracts according to 3-CM, and return to step 1.
	zero	CRP or	no cropland or DCP cropland acres on the farm can be enrolled into CRP or GRP
		GRP	unless DCP base acres are reduced in an amount equal to the number of acres offered for CRP or GRP.
			Note: Land that does not meet the definition of either cropland or DCP cropland may be eligible to be enrolled in GRP. Enrolling this land into GRP has no impact on any of the following:
			 total cropland on the farm total DCP cropland on the farm DCP base acres.
		WRP	no cropland or DCP cropland acres on the farm can be devoted to WRP unless DCP base acres are reduced by the number of acres being recorded for the WRP easement or cost-share restoration agreement.

D Determining Reduction Acres (Continued)

Step	Action		
5	IF the	AND the	
(cntd)	result of	program	
	step 4 is	is	THEN
	greater than zero	CRP or GRP	 cropland acres or DCP cropland acres in an amount equal to the result of step 4 may be enrolled in CRP or GRP without a reduction to DCP base acres on the farm
			• cropland acres or DCP cropland acres in an amount exceeding the result of step 4 may not be enrolled in CRP or GRP without a corresponding reduction in DCP base acres on the farm.
			Note: Land that does not meet the definition of either cropland or DCP cropland may be eligible to be enrolled in GRP. Enrolling this land into GRP has no impact on any of the following:
			total cropland on the farm
			total DCP cropland on the farm
			DCP base acres.
		WRP	cropland acres or DCP cropland acres in an amount equal to the result of step 4 may be devoted to WRP without a reduction to DCP base acres on the farm to satisfy the statutory provisions of the 2002 Farm Bill
			Note: NRCS may require the producer to file CCC-505 to reduce the DCP base acres. See subparagraph 426 F.
			• cropland acres or DCP cropland acres in an amount exceeding the result of step 4 cannot be devoted to WRP unless DCP base acres are reduced on the farm to satisfy the statutory provisions of the 2002 Farm Bill.

__*

E Producer Options

When enrollment in CRP or GRP will result in a reduction of DCP base acres on the farm, the owner shall, at the time CRP-2, CRP-2C, or AD-1153 is submitted, elect 1 of the following:

- reduce the number of acres offered for CRP or GRP to an amount that results in no reduction to DCP base acres
- execute CCC-505 to reduce applicable number of DCP base acres on the farm
- reduce a combination of the number of acres offered for CRP or GRP and the number of DCP base acres on the farm.

Note: When CCC-505 is executed because of land offered for enrollment in CRP or GRP, DCP base acres shall not be reduced until:

- applicable CRP-1 becomes effective
- CCC-920 is approved.

If acres offered for CRP or GRP are not accepted in CRP or GRP, applicable DCP base acres shall **not** be reduced.

Example 1: FSN 1 consists of the following:

- 100 acres effective DCP cropland
- 100 acres cropland
- 0 double-cropped acres
- 90 DCP base acres.

Owner of FSN 1 offers 15 cropland acres for enrollment in CRP during CRP signup 29. The number of cropland acres that may be enrolled in CRP on FSN 1 without requiring a reduction to DCP base acres is 10 acres (100 + 0 - 90 = 10). Therefore, the owner must elect 1 of the following at the time CRP-2 is submitted:

- reduce the number of cropland acres offered for CRP by at least 5 acres
- execute CCC-505 to reduce DCP base acres by at least 5 acres
- reduce a combination of the number of acres offered for CRP and the number of DCP base acres by a total of 5 acres.

E Producer Options (Continued)

Example 2: FSN 200 consists of the following:

- 100 acres effective DCP cropland
- 75 cropland acres
- 25 double-cropped acres
- 125 DCP base acres.

Owner of FSN 200 offers 15 cropland acres for enrollment in CRP during CRP signup 29. The number of cropland acres that may be enrolled in CRP on FSN 200 without requiring a reduction to DCP base acres is 0 acres (100 + 25 - 125 = 0). Therefore, the owner must elect 1 of the following at the time CRP-2 is submitted:

- not offer any cropland acres for enrollment in CRP
- execute CCC-505 to reduce DCP base acres by at least 15 acres
- reduce a combination of the number of acres offered for CRP and the number of DCP base acres by a total of 15 acres.

Example 3: FSN 50 consists of the following:

- 60 acres effective DCP cropland
- 50 acres cropland
- 0 double-cropped acres
- 50 DCP base acres.

Owner of FSN 50 offers 20 cropland acres for enrollment in GRP. The number of cropland acres that may be enrolled in GRP on FSN 50 without requiring a reduction to DCP base acres is 10 acres (60 + 0 - 50 = 10). Therefore, the owner must elect 1 of the following at the time AD-1153 is submitted:

- reduce the number of acres offered for GRP by at least 10 acres
- execute CCC-505 to reduce DCP base acres by at least 10 acres
- reduce a combination of the number of acres offered for GRP and the number of DCP base acres by a total of 10 acres.

E Producer Options (Continued)

Example 4: FSN 300 consists of the following:

- 60 acres effective DCP cropland
- 50 acres cropland
- 0 double-cropped acres
- 50 DCP base acres.

Owner of FSN 300 offers 10 acres of DCP cropland that does not meet the definition of cropland for enrollment in GRP. The number of acres of DCP cropland acres that may be enrolled in GRP on FSN 300 without requiring a reduction to DCP base acres is 10 acres (60 + 0 - 50 = 10). Therefore, the owner is not required to reduce either DCP base acres or the number of acres offered to enroll in GRP.

Example 5: FSN 400 consists of the following:

- 60 acres effective DCP cropland
- 60 acres cropland
- 0 double-cropped acres
- 60 DCP base acres.

Owner of FSN 400 offers 40 non-cropland/non-DCP cropland acres for enrollment in GRP. The number of DCP cropland acres that may be enrolled in GRP on FSN 400 without requiring a reduction to DCP base acres is 0 acres (60 + 0 - 60 = 0). However, the acres offered for enrollment in GRP are non-cropland/non-DCP cropland acres. Therefore, the owner is not required to reduce either DCP base acres or the number of acres offered to enroll in GRP.

F When to Complete CCC-505 to Reduce DCP Base Acres

When the producer elects to reduce DCP base acres because of enrollment in CRP or GRP, the producer shall complete CCC-505 at the time the acres are offered for CRP or GRP.

*--If the producer elects to retire base acres for enrollment in WRP, the producer will provide CCC-505 to NRCS. NRCS will provide CCC-505 to FSA when the easement is closed.

Reminder: Even if the producer files CCC-505 with NRCS, FSA is still required to ensure that benefits are not issued to the producer for both programs. County Offices shall follow the provisions of subparagraph 426 F to ensure that base acres are reduced properly.--*

G Effective Date of DCP Base Acre Reduction for CRP

DCP base acre reductions required because of CRP participation shall become effective for the FY the corresponding CRP-1 becomes effective.

The program year entered on CCC-505 shall be the program year in which the corresponding CRP-1 becomes effective. Service Center shall file copy of CCC-505 in both applicable DCP farm folder and CRP folder, when DCP base acres are reduced because of CRP participation.

Example: Cropland is offered for enrollment in CRP on May 5, 2003 (CRP signup 26). If approved, CRP-1 will become effective October 1, 2004. CCC-505 to reduce DCP base acres was signed by all owners at the time CRP-2 was submitted (May 5, 2003) with a program year of 2005 (equal to FY of CRP-1).

If CRP-1 is approved, DCP base acre reductions will become effective October 1, 2004 (FY 2005). If acres offered for CRP are **not** accepted, DCP base acres shall **not** be reduced.

Important: Reduction of DCP base acres may result in DCP overpayment and request for refund.

H Effective Date of DCP Base Acre Reduction for GRP

DCP base acre reductions because of GRP participation shall be effective as follows:

- date GRP easement is filed, if land was enrolled using an easement
- date CCC-920 is approved by CCC.

Service Center shall file copy of CCC-505 in both applicable DCP farm folder and GRP folder.

Important: Reduction of DCP base acres may result in DCP overpayment and request for refund.

*--I Effective Date of DCP Base Acre Reduction for WRP

DCP base acre reduction because of enrollment in WRP shall be effective as follows:

- date WRP easement is closed
- date WRP cost-share restoration agreement is approved.

County Offices shall file a copy of CCC-505 in the DCP farm folder.

Important: Reduction of DCP base acres may result in DCP overpayment and request for refund.--*

--426.5 Acre Reductions for CRP, GRP, or WRP Enrollment (Continued)--

J Restoration of DCP Base Acres Reduced for Enrollment in CRP on or After May 13, 2002

DCP base acres reduced because of cropland enrollment into CRP on or after May 13, 2002, may be restored to the farm if the CRP contract is voluntarily terminated on or before September 30, 2007, provided there is sufficient DCP cropland available and all other requirements are met.

Note: There is no authority to restore base acres after September 30, 2007.

Important:

To ensure the applicable base acres may be restored to a farm, CCC-505 must include all information required according to paragraph 66, including the information required in the remarks section of CCC-505. Incomplete CCC-505's may result in base acres not being restored to a farm.

K Restoration of DCP Base Acres Reduced for Enrollment in GRP

DCP base acres reduced because of enrollment into GRP may be restored to the farm when both of the following are met, provided there is sufficient DCP cropland available and all other requirements are met:

- land is no longer enrolled in GRP
- life of easement has expired.

Important:

To ensure the applicable base acres may be restored to a farm, CCC-505 must include all information required according to paragraph 66, including the information required in the remarks section of CCC-505. Incomplete CCC-505's may result in base acres not being restored to a farm.

470 Basic Information (Continued)

D Farms Not Enrolled in DCP

Base acres are established for each farm according to Part 2. The base acres on a farm are maintained and remain connected to the farm regardless of whether the farm is enrolled in DCP.

Planting and harvesting FAV's or wild rice on base acres on a farm that is not enrolled in DCP is not a violation of the FAV and wild rice prohibitions.

*--E Determining Available Acres For FAV Planting

The County Office shall determine available free acres on the farm according to this table.

Reminder: Producers wishing to reduce DCP base acres to avoid an FAV violation or acre-for-acre reduction must do so before planting the FAV crop.

Step	Action		
1	Determine the effective DCP cropland on the farm		
2	Total the base acreage for all covered commodities for the farm.		
3	Subtract the result	of step 2 from the result of step 1.	
4	If the result of		
	step 3 is	THEN	
	equal to zero or	there are not any available free acres on the farm for FAV	
	negative	planting. Producers that elect to reduce DCP base acreage to	
		plant FAV must reduce the base acreage by the following:	
		 number of FAV acres intended to be planted, plus total double-cropped acreage for the farm. Note: The total double-cropped acreage for the farm must be included in the number of acres to be reduced because FAV cannot be planted on base acres and without the reduction to the double-cropped acreage, the producer may be earning DCP payments on acres that are planted 	
	greater than zero	to FAV. the result is the number of available acres for FAV planting without a violation or acre-for-acre payment reduction. A DCP base reduction is required if the total intended FAV acres exceeds the available acres determined in step 3.	

--*

470.5 2003 Crop Year Fruit, Vegetable, and Wild Rice Exception

A 2003 Crop Year Exception

Because of the late inclusion of sesame and crambe as covered commodities, and the inclusion of popcorn as history credit for corn for DCP purposes, the planting of fruits, vegetables, and wild rice on certain base acreage that would have otherwise been nonbase acreage shall:

- **not** result in contract termination for 2003 CCC-509's
- result in a reduction of the 2003 direct and counter-cyclical payments for the farm by an acre for each acre of base acreage planted to fruits, vegetables, or wild rice.

The 2003 crop year fruit, vegetable, and wild rice exception:

- is for the 2003 crop year only
- applies to fruits, vegetables, and wild rice planted on base acreage that would have otherwise been nonbase acreage if not for the inclusion of sesame, crambe, and popcorn
- does not change the fruit, vegetable, and wild rice provisions on other base acreage.

B Example 1

Situation

FSN 100 has 201.4 acres of cropland. Before the inclusion of popcorn as corn history acreage for DCP purposes, the owner selected bases for the farm resulting in the following:

- 80.5 acres of wheat base acreage
- 80.9 acres of corn base acreage
- 40.0 acres of nonbase acreage.

After the base acreage is established, the owner entered into a contract with a vegetable processor to plant 40.0 acres of tomatoes. Because FSN 100 has 40.0 nonbase acres, the tomatoes could be planted on the farm with no violation of the fruit, vegetable, and wild rice provisions.

Because of the inclusion of popcorn as corn history acreage for DCP purposes, the owner elects to change the base acreage for the farm to the following:

- 80.5 acres of wheat base acreage
- 100.9 acres of corn base acreage
- 20.0 acres of nonbase acreage.

B Example 1 (Continued)

For the 2003 crop year, the owner plants 40.0 acres of tomatoes on FSN 100. Neither the farm nor the producer has a fruit, vegetable, or wild rice history.

Result

There is no DCP contract violation in this example because the 20.0 acres of base acreage planted to tomatoes would not have been base acreage without the inclusion of popcorn as corn history acreage for DCP purposes. The 2003 direct and counter-cyclical payment acres for the farm shall be reduced by 20.0 acres.

C Example 2

Situation

FSN 200 has 201.4 acres of cropland. Before the inclusion of sesame and crambe as covered commodities, the owner selected bases for the farm resulting in the following:

- 80.5 acres of wheat base acreage
- 80.9 acres of corn base acreage
- 40.0 acres of nonbase acreage.

Because of the inclusion of sesame as a covered commodity, the owner elects to change the base acreage for the farm to the following:

- 80.5 acres of wheat base acreage
- 80.9 acres of corn base acreage
- 20.0 acres of sesame base acreage
- 20.0 acres of nonbase acreage.

For the 2003 crop year, the owner plants 30.0 acres of carrots on FSN 200. Neither the farm nor the producer has a fruit, vegetable, or wild rice history.

Result

There is no DCP contract violation in this example because the 10.0 acres of base acreage planted to carrots would not have been base acreage without the inclusion of sesame as a covered commodity. The 2003 direct and counter-cyclical payment acres for the farm shall be reduced by 10.0 acres.

*--470.5 2003 Crop Year Fruit, Vegetable, and Wild Rice Exception (Continued)

D Example 3

Situation

FSN 200 has 201.4 acres of cropland. Before the inclusion of popcorn as corn history acreage for DCP purposes, the owner selected bases for the farm resulting in the following:

- 80.5 acres of wheat base acreage
- 80.9 acres of corn base acreage
- 40.0 acres of nonbase acreage.

Because of the inclusion of popcorn as corn history acreage for DCP purposes, the owner elects to change the base acreage for the farm to the following:

- 80.5 acres of wheat base acreage
- 100.9 acres of corn base acreage
- 20.0 acres of nonbase acreage.

For the 2003 crop year, the owner plants 50.0 acres of tomatoes on FSN 200. Neither the farm nor the producer has a fruit, vegetable, or wild rice history.

Result

There is a DCP contract violation in this example because of the 10.0 acres of tomatoes planted on base acreage established without regard to the inclusion of the popcorn acreage. The 2003 crop year fruit, vegetable, and wild rice exception does not apply to the 80.5 acres of wheat base acreage and the 80.9 acres of corn base acreage established for the farm before the inclusion of the popcorn acreage. There is no DCP contract violation for the 40.0 acres of tomatoes planted on base acreage that would not have been base acreage without the inclusion of popcorn.

The County Office shall handle the planting violation according to 4-CP.--*

Examples of Basic Rule (Continued)

*--J Example 9

FSN 400 has:

- 100 acres of effective DCP cropland
- 20 acres of double-cropped acres
- 120 acres of DCP base acres including 10 for wheat, 80 for corn, and 30 for soybeans.

Producer A informs the County Office of the intent to plant 10 acres of FAV. None of the FAV exceptions apply to the farm or producer, therefore the producer is required to reduce DCP base acreage before FAV is planted to avoid an FAV planting violation.

FAV's cannot be planted on base acreage unless 1 of the exceptions apply. Therefore in cases where the base acreage exceeds the effective DCP cropland on the farm, the base reduction must include the double-crop acreage and not just the acres being planted to FAV.

In this example, the producer must reduce the DCP base acreage by 30 acres.--*

473 FAV and Wild Rice Double-Cropping Region Exception

A Double-Cropping Exception

The first exception to the prohibition of FAV's and wild rice on base acres enrolled in DCP is the double-cropping exception.

The double-cropping exception provides that FAV's and wild rice may be planted on base acres enrolled in DCP without violation or payment reduction if FAV or wild rice, as applicable, is planted in a double-cropping cycle with a covered commodity or peanuts planted in a designated double-cropping region established by STC.

Note: See subparagraph C for double-cropping regions.

B Determining Double-Cropping FAV's/Wild Rice With Covered Commodity/Peanuts

For the purpose of determining FAV and wild rice double-cropping regions, double-cropping FAV's or wild rice with covered commodities or peanuts means planting and harvesting of a covered commodity or peanuts **for grain or lint** in cycle with the planting and harvesting of FAV or wild rice on the same acreage in a 12-month period with the ability to plant and harvest the same 2 crops in the immediately succeeding 12-month period, under normal growing conditions.

FAV or wild rice may be planted before or after the covered commodity or peanuts to be considered double-cropped.

C Double-Cropping Regions

FAV and wild rice double-cropping regions were established by STC, in consultation with CSREES, Land Grant Universities, and other agencies, based on the planting history for the region before the 2002 crop year.

Note: Double-cropping of FAV's or wild rice in cycle with covered commodities or peanuts must be customary for the region.

477 FAV and Wild Rice Producer History Exception

A Producer History Exception

The third exception to the prohibition of FAV's and wild rice on base acres enrolled in DCP is the producer history exception.

The producer history exception provides that a specific fruit, specific vegetable, or wild rice shall not be limited for a producer with an established planting history of that specific fruit, specific vegetable or wild rice, except that:

- the quantity planted may not exceed the producer's average annual planting history of the specific fruit, specific vegetable or wild rice in the 1991 through 1995 or 1998 through 2001 crop years, as determined by the producer, excluding any crop year with no plantings
- direct and counter-cyclical payments shall be reduced by an acre for each acre of the specific fruit, specific vegetable, or wild rice on base acres enrolled in DCP.

B Basic Information

The producer history exception is producer, crop, and acreage specific.

For the purposes of this exception, the producer history is determined based on the producer's average annual plantings of the specific fruit, specific vegetable, or wild rice.

The producer's average annual plantings for each applicable commodity shall be determined using:

- FSA-578 or FCI-19 report of FAV and wild rice plantings
- either of the following time periods, as determined by the producer:
 - 1991 through 1995 crop years
 - 1998 through 2001 crop years.
- *--The producer history is based on the number of acres of a **specific** fruit, vegetable, or wild rice, in which the producer had an interest, which was reported as planted for harvest on a--* farm in at least 1 of the 1991 through 1995 or 1998 through 2001 crop years.

Important: The producer must elect which crop year period, 1991 through 1995 or 1998 through 2001, to use to calculate the average annual plantings.

477 FAV and Wild Rice Producer History Exception (Continued)

B Basic Information (Continued)

If a producer elects 1991 through 1995 crop year period, FAV's and wild rice reported as "ghost crops" in 1991 through 1995 shall be included when determining the producer's FAV and wild rice planting history.

The following crop years shall not be used to determine a producer's FAV and wild rice planting history:

- before 1991
- 1996
- 1997
- after 2001.

FAV's and wild rice on base acres enrolled in DCP will be used to calculate direct and counter-cyclical payment reductions only for FY in which they were planted, except for perennials.

Perennial FAV's planted on base acres will be used to calculate direct and counter-cyclical payment reductions beginning FY in which they are planted and each succeeding year they are on base acreage enrolled in DCP.

Provisions of this exception allow a specific amount and type of fruit or vegetable or wild rice on base acres enrolled in DCP with a corresponding acre for acre reduction in direct and counter-cyclical payments. The farm does not have to be in an established FAV and wild rice double-cropping region nor must the farm have an established FAV and wild rice planting history.

Provisions of this exception limit the acreage amount of specific fruits, vegetables, or wild rice on all base acres of all farms enrolled in DCP in which the producer has an interest, excluding farms meeting the double-cropping or farm history exception.

*--Important: This provision includes all farms enrolled in DCP in other counties in which the producer has an interest.

The producer with the specific fruit, vegetable, or wild rice producer history must have an interest in the FAV or wild rice planted on DCP base acres for this exception to apply. Other producers on the farm:

- cannot use a producer's FAV or wild rice producer history
- may have an interest in the FAV or wild rice planted on DCP base acres, and not be in violation, provided the producer with the FAV or wild rice producer history also has an interest in the FAV or wild rice planted acreage.

See paragraph 479, examples 7 through 10, for examples of applying the FAV and wild rice producer history exception when there is more than one producer on the farm.--*

A Overview

Approval Date Screen MZAAWF01 will be displayed when "Cmd16" is pressed on Share Screen MZAAWE01. Screen MZAAWF01 provides for entry of the enrollment date and the COC payment approval date.

Screen MZAAWF01 will also be displayed when Option 2, "Approve CCC-509", is selected on DCP - CCC-509 Application Menu MZAAW0. The functionality of the screen will be the same regardless of how the screen was accessed.

B Example of Screen MZAAWF01

Following is an example of Approval Date Screen MZAAWF01.

DCP - CCC-509 A FARIBAULT 2002 Approval Date Screen	SELECTION MZAAWF01 Version: AE51 08/10/2002 12:32 Term F5
Farm Number: 2	Operator: ROBERT C LINDER
Enrollment Date	COC Payment Approval Date
(MM-DD-CCYY)	(MM-DD-CCYY)
Cmd5=Update Cmd7=End	

C County Office Action

County Offices shall:

• enter the CCC-509 enrollment date

* * *

• enter the COC payment approval date

Notes: This will be the date COC signs CCC-509.

All shares for all crops on the farm must equal 100 percent or the contract cannot be approved for payment.

• PRESS "Cmd5" to update dates

Note: To remove a date previously updated, "Field Exit" through the date and PRESS "Cmd5". The record will be updated with a date.

• PRESS "Cmd7" to end.

Note: Record will not be updated.

D Updating CCC-509 After Approval Date Is Entered

The COC payment approval date will be removed if:

- shares on CCC-509 are modified after the COC payment approval date is entered
- "Cmd5" = update is pressed on Share Screen MZAAWE01.

Upon COC approval, County Offices shall re-enter the revised COC approval date into the system.

Reports

None

Forms

This table lists all forms referenced in this handbook.

		Display	
Number	Title	Reference	Reference
AD-1026	Highly Erodible Land Conservation (HELC)		6, 7, 250, 251, 252,
	and Wetland Conservation (WC) Certification		351, 428, Ex. 4
AD-1153	Application for Long-Term Contracted		426.5
	Assistance Through the		
	Program		
CCC-64	Surety Bond (Minor)		448
CCC-184	CCC Check		1, 543
CCC-478	Production Flexibility Contract		100, 718, Ex. 2
CCC-490	2003 Crop Hard White Wheat Program	572	5
	Application		
CCC-502	Farm Operating Plan for Payment Eligibility		6, 7, 250, 351, Ex. 4
	Review		
CCC-505	Voluntary Permanent Direct and	66	65, 276, 331, 334,
	Counter-Cyclical Program (DCP) Base		425, 426, 426.5,
	Acreage Reduction		470, 471
CCC-509	Direct and Counter-Cyclical Program Contract	332	Text, Ex. 2, 4
CCC-509	Appendix to Form CCC-509, Direct and	332	11, Ex. 2
Appendix	Counter-Cyclical Program Contract		
CCC-509B	Note: CCC-509B will be forthcoming.		793, 801, 810, 811
CCC-515	Direct and Counter-Cyclical Program (DCP)	303	13, 136.6, 300, 304,
	Base and Yield Election Form		617, 625, 626,
			629.5, 631-638
CCC-517	Direct and Counter-Cyclical Program (DCP)		13, 303, 304, 334,
	Tract Redistribution Form		617, 625, 627, 629,
			629.5, 636
CCC-522	Tract Owner Selection of Initial or Subsequent	301	13, 302, 617,
	Crop Acreage History		619-621, 629.5
CCC-526	Payment Eligibility Adjusted Gross Income		6, 7, 351, Ex. 4
	Certification		

Forms (Continued)

		Display	
Number	Title	Reference	Reference
CCC-530	Peanut Quota Holder Buyout Program	540	525, 526, 528, 530,
	Contract (QBOP)		541, 543, Ex. 2
CCC-530	Appendix to Form CCC-530, Peanut Quota	540	Ex. 2
Appendix	Buyout Program Contract (QBOP)		
CCC-530	Peanut Quota Holder Buyout Program	540	541
Continuation	Contract (QBOP) Continuation Sheet		
CCC-531	2002 Peanut Direct and Counter-Cyclical		250, 252, 253, Ex. 2
	Program Contract (DCP)		
CCC-531	Appendix to Form CCC-531, 2002 Peanut		250, Ex. 2
Appendix	Direct and Counter-Cyclical Program Contract		
	(DCP)		
CCC-576	Notice of Loss and Application for Payment	473.5	474
	Noninsured Crop Disaster Assistance Program		
CCC-920	Grassland Reserve Program Contract		66, 426.5
CRP-1	Conservation Reserve Program Contract		66, 67, 331, 425,
			527, 604,
CRP-15	Agreement for Reduction of Bases, Allotments		67, 331, 425
	and Quotas		
FCI-19	Crop Insurance Acreage Report		477
FSA-155	Request for Farm Reconstitution		331
FSA-156-EZ	Abbreviated 156 Farm Record and Tract		100
	Listing		
FSA-211	Power of Attorney		855
FSA-325	Application for Payment of Amounts Due		252, 394, 530
	Persons Who Have Died, Disappeared, or		, ,
	Have Been Declared Incompetent		
FSA-375	Transfer of Peanut Quota		526
(Peanuts)			
FSA-540	Notification of Bases and Yields for DCP		137, 300, 617, 628,
			630
FSA-578	Report of Acreage		Text
FSA-658P	Producer's Record of Production	138	101, 131, 137,
			137.1, 139, 300,
			304, 611, 613

Definitions of Terms Used in This Handbook (Continued)

Payment Rate for Quota Buyout Payments

<u>Payment rate for quota buyout payments</u> means, for the purpose of making Quota Buyout Payments is \$.11 per pound, for 5 years, 2002 through 2006, or a 1-time lump sum payment of \$.55 per pound.

Payment Yield

Payment yield means:

- for peanuts, the yield assigned to a farm by historic peanut producers according to §1412.802
- for covered commodities, the yield established for a farm for a covered commodity.

Peanut-Assigned Yield

<u>Peanut-assigned yield</u> means the average yield for peanuts **harvested** in the county in which the farm is located for crop years 1990 through 1997 by irrigated and nonirrigated practice if available.

PFC Payment Yield

<u>PFC payment yield</u> means, for PFC payment commodities, the payment yield from CCC-478, FSA-156-EZ, or other FSA farm records, or assigned yield. The base period for PFC yield computation was 1981 through 1985.

* * *

Producer

<u>Producer</u> means an owner, operator, landlord, tenant, or sharecropper who shares in the risk of producing a crop and is entitled to share in the crop available for marketing from the farm, or would have shared had the crop been produced. A producer includes a grower of hybrid seed.

* * *

Rice

Rice means rice excluding sweet, glutinous, or candy rice, such as Mochi Gomi.

Sharecropper

<u>Sharecropper</u> means an individual who performs work in connection with the production of a crop under the supervision of the operator and who receives a share for his or her labor.

Skip-Row or Strip-Crop Planting

<u>Skip-row or strip-crop planting</u> means a cultural practice in which strips or rows of the crop are alternated with strips or rows of idle land or another crop.

* * *

State Conservation Acres

<u>State conservation acres</u> are cropland acres on the farm enrolled in a conservation program for which payments are made in exchange for not producing an agricultural commodity on the land.

Target Price

<u>Target price</u> means for peanuts, the price per ton; and for covered commodities, the price per bushel (or other appropriate unit in the case of upland cotton, rice, and other oilseeds) used to determine the payment rate for counter-cyclical payments.

Tenant

<u>Tenant</u> means someone other than a sharecropper, who does either of the following:

- rents land from another in consideration of the payment of a specified amount of cash or amount of a commodity
- rents land from another in consideration of the payment of a share of the crops or proceeds therefrom.

Tract

<u>Tract</u> means a unit of contiguous land under one ownership, which is operated as a farm, or part of a farm.

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